

What's love got to do with it ? An experimental test of household models in East Uganda

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Structure of presentation

1. Introduction
2. Main conclusions
3. The games
4. The villages
5. Results

1. Introduction

- Motivation
 1. directly testing assumptions of intra-household models using experimental methods
 2. combining experimental data with survey data
 3. combining economic approaches in intra-household studies with insights from anthropology/sociology
- Using this study as a pilot for bigger project

2. Main conclusions

- Surplus maximisation rejected
- A greater surplus realised when women are in charge of common account
→contradicts unitary and cooperative models
- When women control the common account they receive less than when men control it
→contradicts bargaining models

2. Main conclusions (cont'd)

- Women contribute less
- Women contribution rewarded more generously by men than vice versa
→ casts doubt on Sen's (1990) perceived contributions idea
- Absence of altruism rejected – 'love has got something to do with'
- Evidence of opportunism – hiding initial endowments even when one is in charge of common account

3. The games

- The games are played between real married couples in the two Ugandan villages
- The protocol of the games is similar to common pool games
- Different amounts of money given to each spouse (money placed in a private account; breakdown position/threat point)

3. The games (cont'd)

- Three variations in allocating US\$ 4000

Husband	Wife
4000	0
0	4000
2000	2000

3. The games (cont'd)

- Voluntary Contribution Mechanism:
 - husband and wife place money (privately) into a common account (the production of a household public good)
 - any money they place there increases by a factor of 1.5

3. The games (cont'd)

- Three variations in the distribution of the common account (final funds):
 - the common account is split 50%:50% between the spouses (played only in Sironko)
 - give the common account to the wife, she decides how much the husband gets
 - give the common account to the husband, he decides how much the wife gets
- the mechanism for allocating common account is known beforehand

4. The villages

- Participants live in two south-eastern villages of Uganda (towards the Kenyan border) – Sironko and Bufumbo
- Islam is dominant in Bufumbo
- All seven games played in Sironko but only two games in Bufumbo (not enough participants)
- At least 25 participants in each game
- 240 couples: 191 in Sironko and 49 in Bufumbo

The villages (cont'd)

Variations in the games			
	(hus:4000, wif:0)	(hus:2000, wif:2000)	(hus:0, wif:4000)
50%:50 %	√ (game 1)	√ (game 4)	√ (game 7)
Wife decides	√ (game 2)	√ (game 5 & 9-B)	X
Husband decides	X	√ (game 3 & 8-B)	√ (game 6)

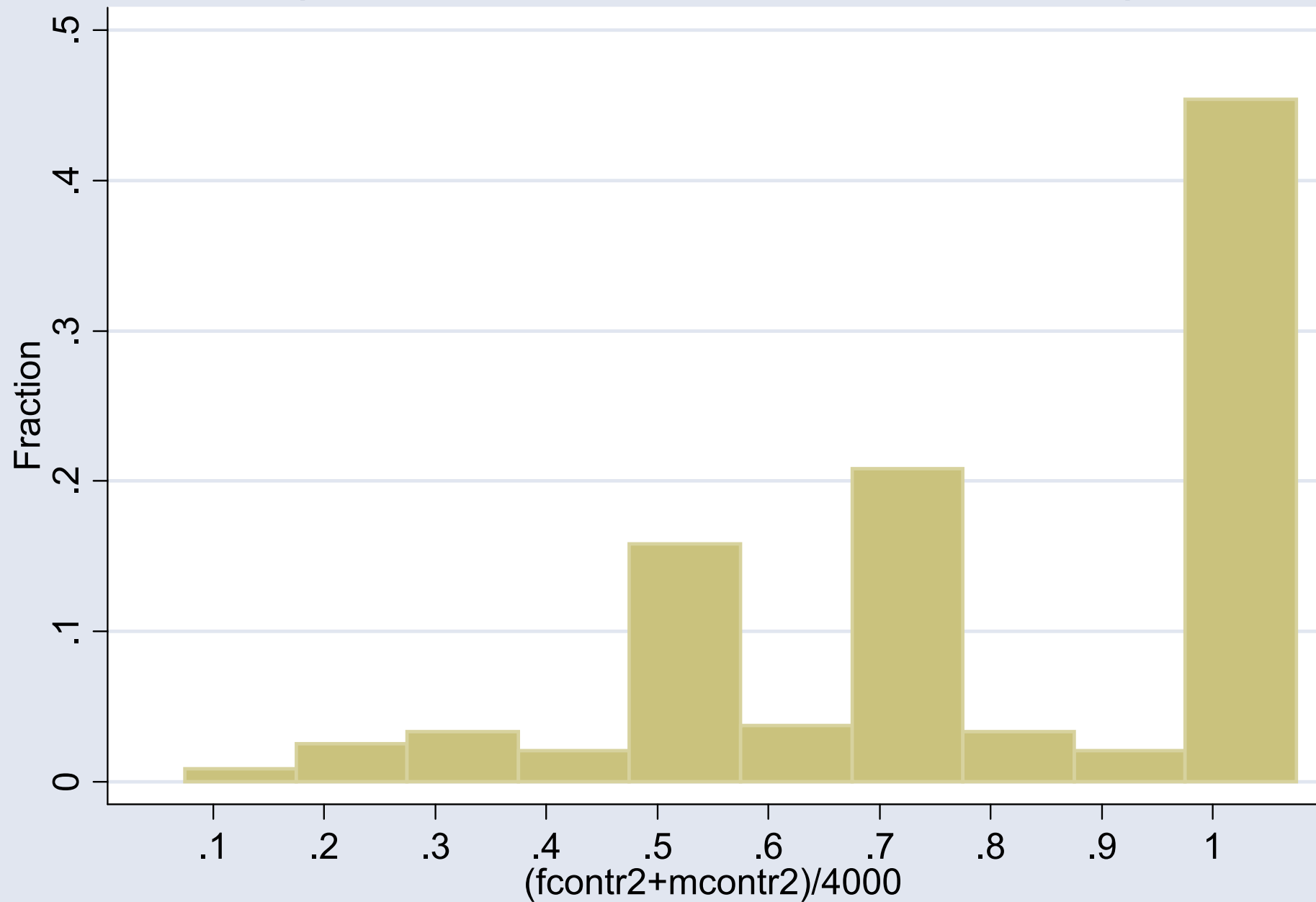
5. Results

- No finished product yet
- Exploring some avenues
- A review of our explorations is presented here

Is within marriage surplus maximised?

- If spouses pool their resources and trust each other, they should contribute all endowments
- Only in 45% of the cases do spouses contribute all (see histogram)

Did spouses contribute all to maximise surplus?



Is within marriage surplus maximised? (cont'd)

- t-tests for contribution of all endowments are rejected ($t = -13.9813$ with $p\text{-value}=0$)
- t-tests for each game
 - the only two games where contribution of all endowments is accepted at 5% (not 1%) are in games 1 & 2
- i.e., when husbands have all endowment and there is either 50:50 split or wife decides

Do women contribute more?

Games	Mean (median) contributions of	
	Husbands	Wives
1(h4000;50%)	3615 (4000)	
2(h4000;w)	3760 (4000)	
3(h2000;h)	1574 (2000)	1296 (1000)
4(h2000;50%)	1567 (2000)	1510 (2000)
5(h2000;w)	1800 (2000)	1580 (2000)
6(h0;h)		3331 (3500)
7(h0;50%)		3547 (4000)
8(h2000;h) Buf	1116 (1000)	1021 (1000)
9(h2000;w) Buf	1192 (1500)	1352 (1500)

Do women contribute more? (cont'd)

- Generally mean and median contributions of wives are less than husbands
- T-test for equality against the alternative of men's contribution to be higher rejected at 5% but not 1% level ($t=2.2000$; $p\text{-value} = 0.0148$)
- Women on the average contribute less

Breakdown positions (threat points) influence final agreement

- If threat points matter, higher initial endowments should increase receipts
- Compare receipts of games 2 & 5 and games 3 & 6 (see next table)
- Particularly wives' receipts increase with their initial endowment
 - wives get statistically higher in game 6 than 3
 - but for husbands the difference is not significant

Breakdown positions (threat points) influence final agreement (cont'd)

	Mean (median) receipts of	
	Husbands	Wives
Game 2 (h4000;w)	3108 (3000)	2532 (2500)
Game 5 (h2000;w)	2660 (2000)	2376 (2500)
Game 3 (w2000;h)	1893 (2000)	2419 (2000)***
Game 6 (w4000;h)	1164 (1000)	3885 (3500)***

Reciprocity

- If there is reciprocity the receipt of a husband (wife) increases with his (her) contribution when the wife (husband) decides the split
- Wife (husband) decides in games 2, 5 & 9 (3, 6 & 8); with reciprocity husbands' (wives') receipt should significantly be correlated to husbands contribution in games 2, 5 & 9 (3, 6 & 8)

Reciprocity (cont'd)

CLAD estimates (bootstrapped standard errors given in brackets)		
Variables	Husband's receipts - wives decide (2,5,9)	Wives receipts - husbands decide (3,6,8)
Husband's contribution	0.75 (.2249)	0.83 (.3383)
Wife's contribution	0.75 (.3871)	1.5 (.3092)
Constant	-1.09e-11 (652.6620)	-1000 (729.0052)

Reciprocity (cont'd)

- When wives decide, for husbands' one US\$ contribution, they give only US\$ 0.75
- When husbands decide, for wives' one US\$ contribution, husbands give US\$ 1.5
– *the full principal plus the surplus*